Secld. II-37—37,004—13-11-45.

Dev (1946) Department.

M.S SERIES.

G.O. No. 4168

Dated 7 — 11 — 46

[Despatch Abstract.]

Industries — sericulture - silk filatures at Kollegal — manufacture of silk fabrics for Demarcation and Advertisement proposals of D.I.S.B — orders passed

DC-No. 610.52 D1/46. 23.846

C.F. 32.

Industries & Commerce DEPARTMENT.

In reply, please quote number, date and short title.*

*Received*_____ *Registered*_____

From (Name) A. Khaleeli Esq., I.C.S.,

(Designation) Director of Industries and Commerce,

Post Box Triplicane, (Station) M a d r a s.,

*Telegraphic Address*_____

To

The Secretary to Government,
Development Department,
Madras.

No. 2621-D/46 *dated* 22nd August 1946.

Sir,

*Sub: Industries - Sericulture - Silk filatures at Kollegal - silk fabrics for demonstration and advertisement.

Enclosures_____

Spare Copies_____

As Government are aware the silk filatures at Kollegal are producing good quality silk. But few people are aware that high class fabrics can be produced out of this silk. The fabrics have therefore to be advertised. A good way of advertisement followed by many commercial concerns is to present sample of the products. It is proposed to give handkerchiefs, silk pieces etc. to distinguished persons who happen to visit Kollegal. I have accordingly asked the South Indian Silks Ltd., Gudiyatham, the premier silk weaving mills of South India, to weave out of the Kollegal filature silk pieces of the best fabrics such as Georgette, Ninon, Taffeta, Satin and crepe-de-chine. I have also arranged for some varieties of spun silk fabric pieces to be prepared by the Mysore spun silk Mills Ltd., Chennapatna who are the chief customers for the Kollegal filature silk waste. The estimated cost for ~~the~~ undertaking this type of advertisement

will

will be Rs.5,000/-. I request that Government may be pleased to sanction an expenditure not exceeding Rs.5,000/-towards this purpose and permit me to present small pieces of fabrics to leading personalities.

The expenditure is debitable to "85-A.Capital Outlay on provincial schemes of State Trading - C- Other Miscellaneous schemes- G.K. Government silk filature,Kollegal - 8 - other charges".

22/6

for Director of Industries and Commerce.

P. 590 of detailed Budget,

MLM/22.8

22/6/48

24/11/49 17/1249 8/12/49 Devdept/12

Memo No 61052 D/46 Dtd 10.9.46

Pl num 8/10946

Sub Industries - Sericulture - Silk fabrics - Silk fabrics for demonstration and advertisement - Manufacture - Expenditure - Sanction of

Ref From the Dept Lr No 2621 D/46 dtd 22.8.46

It is not clear ~~from the Director's letter cited~~ whether the expenditure on the proposal ~~contemplated in his letter cited~~ contained in this letter cited ~~therein~~ on the subject will be restricted ~~only~~ to Rs 5,000/- or whether it is

Rs 5,000 sanctioned

PTO

~~I~~ intention to incur such expenditure every year. The DGTE is requested to clarify ~~his~~ 12th position.

To ~~the~~ DGTE 13/9.

1946 28/9/46

ABN 9-9-46

The DGTE

IVL 28-9-46

No.2626-D/46. Office of the Director of Industries and Commerce, Madras, 21st Sepr., 46.

From

A. Khaleeli, Esq., I.C.S.,
Director of Industries & Commerce, Madras.

UNDER SECRETARY
24 SEP 1946
DEVELOPMENT DEPARTMENT

71300 D/4
2494

To

The Secretary to Government, Development Department, Madras.

Sir,

Sub. Industries - Sericulture - Silk farms at Kollegal - Silk fabrics for demonstration and advertisement - Manufacture - Expenditure - Sanction of -

Ref: Government Memo.No.61052-DI/46-1 dated (Development) 10-9-1946 -

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The expenditure of Rs.5,000/- proposed in my letter No.2621-D/46 dated 22-8-1946 for manufacture of silk fabrics for demonstration and advertisement of Kollegal filature silk is to be incurred as an experimental measure

in the first instance and if this method of advertisement is judged advantageous, it will be resorted to later with the sanction of Government.

23/9

for Director of Industries & Commerce.

23/9.

198/7/41 · 22/1/47

pl issue today 8/7.11.46

Dev (DI)

C.F. 16.

DRAFT FOR APPROVAL.

	Date.	Initials.
When received for fair copying ..		
When copied ..		
When examined..		
When signed ..		
When despatched.		

SUBJECT :— Industries – Sericulture – Silk Filatures. at Kollegal – Manufacture of Silk Fabrics for demonstration and advertisement Proposals of D.I.S.& – Orders passed.

READ AGAIN ....., dated ..... 19.....

" " ..... " ..... 19.....

READ *ALSO* :—

pp 1-2 ante. No. 61052 DI/46 From the D. I. S. & Letter, No. 2621-D/46 dated 22.8.1946

pp 1-6 ante " ..... " ..... " 2621 D/46 " 21.9.1946

" ..... " ..... " ..... " ..... 19.....

Order ~~Resolution~~ Ms. ~~Rout.~~ No. 4168, dated 7-11-46 19.....

The Govt. approve the proposal of the D.I.S.& to manufacture silk fabrics, such as Georgette, Ninon, Taffeta, Satin and Crepe-de-chine and also spun silk fabrics, out of the silk yarn produced by the Silk Filature Kollegal, for advertisement and demonstration purposes but they direct that the expenditure thereon be limited to Rs 1,000/- (Rupees one thousand only) instead of Rs. 5,000/- proposed by him. Small pieces of these fabrics may be presented to distinguished and leading personalities who visit the Govt Filatures, Kollegal

'K' on p 8 ante

'K' on p 8 ante

'A' on p 2 ante

'B' on p 1 ante.

2 The action of the D.I.S.& in arranging for the manufacture of silk fabrics in anticipation of sanction of the Govt. is irregular, as such access is not ordinarily permissible unless it is a matter of such great urgency that it is impossible to get the sanction of the Govt. in time, and it is certain

'X' on p 3 ante.

so that

in al- the expenditure is essential and the govt. 'x' on p3 n/

will agree to it in due course. The D.I.& b

is requested to obtain the previous orders of the

Govt- in such cases in the future.

3 The expenditure should be debited to

"85 A - Capital outlay on provincial schemes D'on p2 c/

of State trading - c. other Miscellaneous schemes

J

- Govt- Silk Filatures, Kollegal - 8. other charges."

30/10/46

30.10.46

30-10-46

To The D.I.& C.

H.G. Thro' Fin

DSP

1/11/21

added

A

Dev Dep.

Sub:- Industries - Sericulture - Silk Filatures at Kuthgal - Silk fabrics for demonstration and advertisement purposes: Manufacture of - Expenditure - Sanction

Read from the DGTC Lr No 2621 D/46 dtd 22.8.46

ORDER NO — Mr Dev dtd

~~Sanction is accorded to~~ The Govt approve the proposal of the DGTC to incur an expenditure not exceeding Rs 5,000 (Rupees five thousand only) towards the Cost of manufacture of Silk fabrics such as Georgette, Nuns, Taffeta, Satin and Crepe-de-Chine and pure Silk fabrics, out of the Silk yarn produced by the Silk Filatures at Kuthgal for advertisement and demonstration purposes. The DGTC is permitted to present small pieces of these fabrics to distinguished and leading personalities who pay a visit to the Filatures at Kuthgal.

2. The expenditure should be debited to '45-A) Capital Outlay on Provincial Schemes of Sericulture Trading - C. Other Miscellaneous Schemes - F G.S.F. Kuthgal - 8. Other Charges'

Dy No 21/8/46 Dated 27.8.46

Dy No 29/8/46

To

The DGTC

Through Dir.

Copy to SF

ON:- The proposal contained in the letter of the Director of Finance may be accepted.

21/8/46

App 1-2 of is mainly the concern of the Customers who purchase silk yarn from the Silk Dealers as noticed. It amounts to the Govt. undertaking advertisement on behalf of their Customers. So long as the Govt have an efficient machinery to ensure purchase of quality silk in the Silk Dealers, there seems to be no need for the Govt to do the advertisement on behalf of the purchasers of silk fabrics who purchase yarn from the Silk Dealers. This appears to be an indirect subsidy to private/proprietary concerns which are engaged in the production of silk fabrics.

2/ Apparently the expenditure proposed is a recurring one, Rs 5000/- being an annual expenditure. This will tend to reduce the profits of the Silk Dealers to a considerable extent, on account of an item which, as explained above, is not a direct charge for production of yarn.

3/ Thirdly, the proposal to distribute fabrics as a prize in connection with the Silk Dealers, noticed does not appear to be a wise one, as it is likely to lead to abuse at the hands of the staff of the Silk Dealers.

4/ It is therefore for orders whether the proposal of the Asst will be agreed to. Subject to orders, a draft order is however submitted herewith for approval. This may await a case for acceptance.

The Director's proposal may be accepted.

29/8/46 S. [illegible]

A25
9/8/46

1 above

A draft memo to the DG&C is submitted below for approval

[illegible]
9-46

ASM
9-9-46

Issued as M memo No 61052 DI/46-1 dtd 10.9.46.
from the DG&C Lr No 2026 DI/46 dtd 2.9.46

With reference to M above, please see DG&C's

The Dr does not say to whom he wishes to make his intention clear.

4. V

Report at pp 5-6 C/- The Case may now be sent to Fin Dept for Acceptance of the draft order on p.1 above

Fin 27946 Vol 26 27.9.46 Fin 29-9-46

Finance (Exp.B)

Please see the notes on pp.2-3 above and the draft order on p.1 above.

The distribution of silk fabrics (in the form of kerchiefs or small pieces) to distinguished persons who happen to visit Kollegal will not serve much as an advertisement to the silk yarn which is being produced at the Kollegal Silk Filatures as anticipated by the Director of Industries and Commerce, unless Govt. also undertake to advertise on behalf of the manufacturers and dealers of such silk fabrics; for, the persons

NW 20-6105-2

27-46-2

21 C.F. 30946

SECRETARY TO GOVERNMENT 30 SEP 1946

52655

Ψ Am P. I C.F

persons to whom the fabrics are distributed may not know where the required quantity of such cloth could be had. A more effective form of advertisement, if at all any advertisement is required, will be to distribute a small quantity of silk yarn (say about 1 tola) in each quality to the merchants dealing in silk yarn or manufacturers of silk fabrics visiting Kollegal.

In view of the above and paras. 1-3 on p.2 above, Finance may advise against the proposal.

CSH 5.10.46. DWS

SH. 3.10.46. MAS 3.10.46

Advertisement is necessary for goods only when there is a slump in trade or a keen competition in the market. In the case of the silk yarn produced at the Govt Silk Filatures there is neither of the above two conditions to require advertisement as proposed. As stated by Dept on page 2 above, the proposal if sanctioned would only

amount to an indirect subsidy to the producers of silk fabrics who purchase silk yarn from the Govt filatures. The proposal seems to be unnecessary and extravagant. This Deptt may strongly advise against the proposal.

From page 1-C/F it is seen that the D.I.C. has already made arrangements with two firms for weaving silk fabric pieces for purposes of advertisement. The D.I.C. may be requested to cancel the orders at once. He may also be informed that as there was no urgency in the proposal he should not have placed orders with the two firms for weaving silk bits without obtaining the sanction of the Govt.

If the Dev: Deptt wish to press their proposal, they may be requested to obtain orders in circulation including H.P.M.

$

5-10-46

I presume there is no difficulty at all at present in disposing of the silk yarn produced by the Filatures at satisfactory prices. If so, there is no need for expre on advertising. In any case the method proposed by the D.I.C. is not likely to have any appreciable result & I do not think it is appropriate for a Govt concern. There was no need whatever for the D.I.C. to incur this unusual expre in anticipn of Govt sanction when there was obviously no urgency in the matter. This may be pointed out, & he may be asked not to incur expre in anticipn of sanction in future unless it is a matter of the greatest urgency & it is impossible to get Govt sanction in time & the expre is essential & it is certain that the Govt will agree that it was necessary to incur it in anticipation of sanction.

DWD 6-10-46 Dev:

UNDER SECRETARY
8 - OCT 1946
DEVELOPMENT

File No 5-2655-EBI
5-10-46

74909 DI/46
5.10.46

The case relates to the proposal of the DG&C to manufacture pieces of different varieties of silk fabrics and kerchiefs out of the silk yarn produced at the G.S.F. Kollegal and to distribute them to distinguished ~~visitors and leading~~ personalities who happens to visit Kollegal, as an ~~demonstration and~~ advertisement that high class fabrics can be produced with the filature. The expenditure ~~proposed~~ involved in this experiment is Rs 5,000. ~~and is to be incurred as an experiment at present in the first instance and~~ if this method of advertisement proved advantageous, the Director proposes to continue the scheme with the sanction of Govt. The DG&C has also arranged with two firms for weaving silk fabric pieces in anticipation of ~~Govt~~ sanction of his proposal by the Govt.

This dept supported the proposal but the head of the Director but Fin. dept. are of the view that the method of advertisement proposed by the DG&C is not likely to have appreciable results and is not appropriate for a Govt concern. They also consider that there is no need to incur expenditure on advertisement all as they presume on the assumption that there is at present no difficulty dispose of silk yarn produced at Filature at satisfactory prices.

Dept have also advised that the DG&C M

M

I respectfully

should be asked to cancel the orders placed by him for the manufacture of pieces of silk fabrics in anticipation of the sanction of Govt.

~~It may be mentioned in this connection that~~ The DG&T has already reported that there is at present an accumulated stock of (about 37,000 lbs of silk yarn. ~~which is supposed to represent~~ at the G.S.P. Kollegal. The prices of silk yarn have been reduced by the Director recently by ten rupees a lb in order to dispose of the ~~stocks and~~ accumulated stocks. ~~The system of advertisement proposed by the Director may perhaps help the Dept to dispose of the accumulated stocks quickly.~~ It is for orders whether the proposal of the DG&T as summarised in para (6) on p 6 above will be approved by Govt; or (iii) whether the suggestions of Fin Dept as at M on p 6 above will be agreed to. [The DG&T will however be informed as at X on p 5 above when orders issue in the matter]

ff
10.11.46 Draft 11.10.46

The D.I.&C. has reported that there are large accumulated stocks of silk yarn at the filatures. He had to reduce the price of silk yarn by Rs 10-0-0 per pound. The quality of the silk produced at Kollegal is good, but the sales are low. The only possible explanation being that very few people are aware of the fact that high

quality fabrics can be produced out of this silk. Not to spend money on advertisements is false economy. No commercial concern grudges expenditure on advertisements. The proposal of the D.Toc. (manufacturers), as summarised in para on p. 6 ante may be accepted.

ABM
12.10.46

S

H.M. (L.)
H.P.M.

There is no objection in principle to a commercial concern like the silk fabrics Ltd. spending a limited amount on advertisements, especially at the present time when conditions will be keen competition from foreign silk. But any expenditure of £5000 on the publication of silk handkerchiefs appears to me to be extravagant. The D.Toc. may either limit the expenditure to £1000 or refuse the application altogether. The latter action is the more likely as the silk weaving mills for the production of dress and cloth for export is publication in anticipation of the approval of the application, and the D.Toc. may feel that he is justified in taking on the ground that any other answer would be inconsistent with the decision at 'X' not to submit the application.

H. of (L.) 14/10/46
H.P.M. 27/10/46

ABM
21.10.46
✓ original

To U.S. - A revised draft order is submitted for approval.

ABM
30-10-46

Add S. Lee
Will keep relevant
leave on file

Sig. expired leave

30 OCT 46

60982

9 NOV 1946

POLICE DEPT.

Close Ang

Ormd as S.O. No 4168 dtd 7-11-46

pp 7-8 ante